



**THE
GOLDEN
LEAVES OF
EAST ASIA.**

BY
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THE TARIFF REVISION OF 1897.

The work of revising the tariff has now begun, and the government is face to face with immediate action. It is one thing to construct a tariff upon proper principles and another to revise one constructed on improper principles. A man who remodels a house will not have as beautiful a structure as if he began from the ground. One of the recognized evils of the protective system is that all the bad things in it cannot be got rid of at once. A reduction of the tariff, however, is due, not only as a recognition of public sentiment in Canada and as a measure of justice to the consumer, but also as a measure of relief to many existing industries, which are hampered by conditions that impose very heavy burdens on the general industrial prosperity. There ought not to be any difficulty in adhering to the two chief rules laid down by Adam Smith as fundamental principles of taxation, namely, that everybody should be taxed in proportion to his ability to pay, and that as little as possible should be taken over and above what goes into the public treasury. Both these conditions are scandalously violated in the present tariff. The main points urged before the tariff commissioners in the recent hearings at various points by the protected manufacturers were the natural and normal conditions which make the cost of production in Canada abnormally high, the disadvantages of a limited market, competition with Great Britain, Germany and the United States, labor, freights, and prices. I propose to examine some of the statements made and the arguments advanced, and to discuss some of the possibilities of the coming revision.

CHEAP GOODS TAXED MOST.

The most highly protected manufacturers, in giving their reasons why the tariff should remain as it is, or be increased, usually presented the same arguments. In many cases it was not

the United States manufacturers they were afraid of, but the British and German manufacturers. Mr. Skelton, one of the deputation heard at Ottawa on behalf of the manufacturers of shirts, blouses, collars and cuffs, made the following statement to the tariff committee:—‘On a fair basis we can compete with the Americans if we had their markets and no restrictions. We have labor as cheap and it is as good.’ Mr. Tooke of Montreal, another member of the same deputation, said:—‘We are not afraid of the Americans, or of anybody, on a fair basis.’ The general line of argument nearly everywhere was that a mill could be erected in England or Germany so much cheaper than a similar mill in Canada, and could be maintained and run at a much less cost per annum. The manufacturers of Canada who are beneficiaries of the tariff complain more that they cannot compete with British goods than they complain that they cannot compete with American goods. No wonder that the Conservatives voted to a man in parliament against the motion of the Liberals a few years ago to reduce the duties on British goods. The protected manufacturers would not allow the Conservatives to pursue any such policy, except on the platform where it might catch some votes for a high tariff government. Another point, upon which those who appeared before the tariff committee in various parts of the country dwelt, is that the duties must be highest on the cheapest classes of goods. This is probably the one point as to which there is the greatest unanimity. The facts furnished by the collars and cuffs delegation already quoted will illustrate this point very clearly. The duty on linen and cotton collars is twenty-five percent and two cents each. Reduced to an ad valorem basis, collars costing wholesale sixty cents a dozen pay a duty of sixty-five percent. At ninety-seven cents they pay forty-nine percent; at a dollar fifty-eight cents they pay

forty-one percent; shirts costing three dollars per dozen are taxed fifty-seven percent, while shirts costing six dollars a dozen are taxed only forty-two percent. 'These rates of duty,' said Mr. Tooke, 'of course decrease as the price of the article increases.' The expression, 'of course,' gives away the whole basis of the National Policy system, which contemplates the highest taxation on the cheapest classes of goods. Notwithstanding these heavy rates of duty Mr. Tooke not only urged their continuance, but asked for an increase, and the public have a right to examine his arguments and to speak about his business, in which he desires the government to become partners. He said to the ministers: 'We strongly urge the continuance of the present specific duties in order to protect us against the pauper labor of Europe.' The bulk of the imported goods in this line comes from England so that 'the pauper labor of Europe' may be read, 'the pauper labor of England,' or the United Kingdom. One wonders whether the late government was deemed by the protected manufacturers to be so ignorant as to place the artisans of Great Britain in the category of 'pauper labor'? Mr. Tooke said that a collar was imported which cost a dollar a dozen, and in order to meet that the Canadian manufacturer had to make a collar and sell it for a dollar a dozen, and he added, 'we make nothing on it.' If Mr. Tooke cannot make anything with a protection of sixty-five percent or fifty percent as the case may be, and he appeals to the people of Canada to help him, the answer comes naturally that he should turn his attention and his abilities to something in which he can succeed without public aid. Another manufacturer who pleaded that he could not hold his own in the cheaper lines without an enormous public tax was the manufacturer of lamp chimneys, who asked for a duty equivalent to nearly ninety percent. Here again the government is asked to tax the cheaper class of goods fifty percent more than the better class. 'The duty we ask seems enormous,' said Mr. Snyder, 'but it is the only way we can be protected.' Asked for some reasons, Mr. Snyder replied that his furnace cost thirteen thousand dollars more than the like furnace in the United States, and in the United States they

had natural gas for fuel, and had all the facilities for turning these goods out cheaply. This expensive furnace of Mr. Snyder's for second grade goods is a first-rate example of the hot-house industry, and hot-house industries are no good for Canada or any other country.

MORE PROTECTION ASKED.

Another argument is this:—We enjoy sufficient protection at present on low grade goods. The blue book returns, in many cases, prove this by showing almost no importation in many of the lines, and there would be no use in denying it. Well, give us more protection on the higher grades of goods and we will now cultivate their manufacture, and employ skilled and better paid labor. We have the market now for low grade goods. Continue our protection on these lines, and if you really desire to prove yourselves statesmen and to build up the country, increase our protection on the better grades. The people who use these better goods can well afford it. This is literally the argument. The policy of discriminating against the poor would be continued, and the well-off part of the population would simply be taxed a little more. Some of the manufacturers, therefore, want to keep out the cheap foreign (in which term British is always included) goods, while others say they have accomplished that and would like to limit the importation of the better classes. No general policy or application of any particular economic principle will meet both these cases. This would reduce the government to Mr. Foster's system of taking each industry by itself and each item in the tariff by itself, and endeavoring to adjust one against the other, a herculean task which led Mr. Foster into all sorts of inconsistencies and difficulties, and actually laid him on a bed of sickness in the end.

CONDITIONS OF COST.

Nearly all the leading manufacturers complain of a limited market, but add that they will be satisfied with a limited market if the market is limited to them. With one or two exceptions none of them had bothered about a foreign market. The cotton men are an exception, for it is well known they occasionally make a slaughter market of China. Most of them, however, when the home demand is supplied, simply close down their factories and rest on their oars.

Under like conditions their competitors in the United States keep their factories running and ship out their product at cost price, and this is one of the chief complaints made against the foreign producer. It is claimed on behalf of many Canadian industries that if they could run on full time and up to the limit of their capacity, they could produce goods at a much less cost. In their view the tariff should be so framed as to keep the merchants from importing these cheaper goods from abroad, which the consumer wants and will buy, and compel the consumer to purchase the home-made article, and this, it is promised, would be cheaper than it is now under those circumstances. At the same time, however, they present the strongest reasons why the conditions are so onerous on the Canadian manufacturer as to make the cost of producing goods in Canada about thirty percent greater than in England, Germany and the United States. In a word, the natural resources of some countries are so great—machinery, raw materials, power, fuel, wide market, cheaper freights, and enormous production in special lines—that it is absolutely impossible to compete with them on anything like even terms. If these things are true, then the effect of excluding importations altogether would be to compel the Canadian consumer to pay more for the necessities of life than the citizens of other countries. This would make the cost of living in Canada higher than in other countries, and would have a very bad effect on immigration, which is of vital consequence to a young country with millions of acres of unoccupied lands, and would thus make it necessary to impose still further duties to make manufacturing possible.

THE QUESTION OF WAGES.

Two questions might be asked in connection with the assertions of many of the manufacturers; first, are they accurate; and, second, is it within the power of any government in Canada to discharge its general duty to the people, and at the same time do anything to overcome these enormous natural obstacles which lie in the way of extensive manufacturing in Canada at the present time? Take the question of wages. One of the manufacturers stated to the tariff commissioners that the difference between Canadian and Continental wages was a hundred percent. In an-

other industry another manufacturer (who would likely be more responsible) stated that the wages in factories in England were forty percent lower than in a similar factory in Canada, adding, however, that on the Continent the wages were still lower. The average wages paid in one of the great industries in Canada amount to ninety-three cents a day. In another it was stated to be one dollar a day, including women and children. These figures seem to be low enough, but if we are to take the assurance that they are high compared with European countries, there is this to be borne in mind, that the producing power of the poorly paid, badly nourished operative, is much less than that of the better paid, better nourished and more robust operative. It is admitted that wages computed in money are lower in Germany than wages in England. The producing power of the German operative in 1894 was £79 per operative; while in England it was £106; and according to the census of Canada the figure for this country was £265. In the United States it was £414 in 1890. Of course wages are merely relative to purchasing power, and the lower wage of one country is very often equivalent to the higher wage in another. If, then, the German operative works for low wages, he gives in return low production. The returns of earnings per inhabitant in the various countries of the world show them to amount in Germany to \$120, in Great Britain to \$190, and in Canada to \$220. Wages must be considered in connection with the power of production, or return, and in connection with the purchasing power of a dollar. To say that one man in one country works for one dollar a day and another man in another country works in the same business for one dollar and a half, means of itself nothing at all, and no conclusion can be drawn from it, and no argument based on it. Wages are lower in this way in Scotland than in England, and in Ontario than in British Columbia. All the authorities agree as to the improved condition of the working classes in Great Britain, and this fact taken in connection with this other fact that average earnings per inhabitant have risen fifty percent in sixty years in the United Kingdom, makes it clear that wages are steadily improving in that country. According to the United States census of 1890 the cotton

operative received six cents and the woollen operative twelve cents on every pound of raw material that passed through his hands, yet the cotton operative received twenty-six percent of the output while the woollen operative received only twenty-one percent.

PRICES.

Another argument by means of which some of the manufacturers sought to influence the tariff commissioners was with regard to prices. Since 1878, they said, prices of goods produced in Canada have been reduced by forty and fifty percent. In connection with this something would be said about severe competition. Every one who has given the slightest attention to the matter knows that prices have fallen all over the world. Sauerbeck's price level of forty-five articles shows that cottons and woollens rated at one dollar in 1895 were a dollar and ninety-two cents in 1877. Sugar sold at a dollar in 1895 sold for two dollars and eight cents in 1880. These figures apply to the world. Is there any reason why Canada should be an exception? According to Mulhall a thousand dollars in 1895 would purchase what required fourteen hundred dollars in 1880, taking the price of ten principal articles of merchandise. His explanation may be of interest. 'The fall in prices is mainly the result of machinery and easier transport, not an increased appreciation of gold, since we see that wages, salaries, and house rents have risen in all countries since 1850.' ('Industries and Wealth of Nations,' 1896.)

ENGLAND AS A WARNING.

Some of the manufacturers tried to make out that England was losing her trade to the protected countries, notably Germany. The fact is that as the world's consumption of manufactured articles increases, other countries are sharing with England the benefits of inventions and improved machinery in supplying the enlarged market. The nineteenth century has witnessed a much greater development of manufactures than of agriculture. The output of manufactures in 1840 was of the value of nine thousand and fifty million dollars; in 1894 it was twenty-eight thousand three hundred and eighty million dollars. This is not wholly due to the increased population,

because the world's consumption of cottons, woollens and other textiles now averages twenty-four pounds of fibre per head, against eleven pounds in 1840. The value of all textile manufactures is about four thousand one hundred and thirty million dollars a year. As the total value of the manufactures of the United Kingdom in 1895 was four thousand three hundred and eighty million dollars it is manifestly impossible to supply even the bulk of the world's consumption of textiles as was done, conjointly with France, in 1850. Here is a sample of the statements made before the tariff commissioners: 'Great Britain, notwithstanding her large capital, great experience in manufacturing, the running on a few and special lines, cheap money and fuel, is losing both her home and foreign markets; and Great Britain has far greater advantages over us than France and Germany have over her.' The enormous amount of money at her disposal is rather taken for granted. It is asserted on the authority of Mulhall that the amount of money which Great Britain uses is relatively very small, being only nine percent of her internal trade, as against thirty-nine percent in France, seventeen in Germany and sixteen in the United States. Passing over this, however, Great Britain has not lost either her home or foreign markets to Germany or France, with all their advantages. Great Britain's output of manufactures exceeds that of Germany by \$930,000,000 annually; and exceeds that of France by \$1,400,000,000. These figures are for 1894. In 1860 Great Britain exported of textiles £584,000,000; in 1870 she exported £954,000,000; in 1880, the figures rose to £1,107,000,000, and in 1894, to £1,459,000,000. The steel produced in Great Britain in 1860 was 390,000 tons; in 1880, it was 510,000 tons, and in 1893, the production was 2,777,000 tons. The total trade of the United Kingdom in 1850 was \$845,000,000; in 1895 it was \$3,515,000,000.

The increase in the volume has, of course, been very much greater because of the fall in values. For the last five years Great Britain has exported on an average per annum more to Germany than she has imported. Great Britain has bought more from Canada than she has from Germany during this period. The whole subject of the loss of British

markets at home and abroad, which greatly grieves the McNeill loyalists of Canada, may be summed up with the facts in the following sentence: 'It appears that while our trade with foreign countries has quadrupled since 1850, our internal trade has not quite doubled.' (Mulhall.)

NATURAL AND UNNATURAL INDUSTRIES.

The representations of a great many of the manufacturers have accentuated the difficulty of defending a policy of protection for this country. It is said that the cost of a mill in Canada is fifty percent greater than the cost of a similar mill in England, that wages are forty percent higher, that supplies for the mill are twenty percent dearer, that fuel costs fifty percent more, that railway freights are excessive, and that raw material is far away from Canada. In addition to these the limited market, small production scattered over many different lines, the cost of money, and other things enhance the difficulties. How are these to be remedied? Raw material from all parts of the world is shipped first to England, whose mills are thus in the centre of the supply. London is the great storehouse of the world, whether it is wool from Australia or South Africa. No tariff made in Canada can take away from Yorkshire the natural advantages there for manufacturing. The chemicals, for instance, used in the woollen industry there are produced on the spot as an auxiliary industry, and the same is true of the auxiliary industries around Sheffield, all contributing to the cheap production of cutlery. The very fine steel required for certain lines of cutlery is made from iron obtained from Sweden, and no British government would dream of keeping it out by a high duty in order to force the Sheffield manufacturer to use nothing but home-made iron. It might be possible to grow the cork tree in Canada, and give employment to workmen in the manufacture of corks, but the natural advantage of Spain in this respect could not be overcome by a tariff. The condition of enormous output in the mills and factories of England and the United States will always exist, and if it furnished a good argument a protective system would be a necessity in Canada for all time. But although the output of leather in the United States is \$500,-

000,000 a year, against \$35,000,000 in Canada, the boot and shoe industry flourished in Canada under a revenue tariff, because the leather industry is not overwhelmed by the disadvantages already enumerated. There is nothing, either, to prevent the manufacture of woollens and cottons in Canada at a fair profit under a revenue tariff. The same is true of the refining of sugar. All these industries, and many more, do not require high duties on importations in order to maintain themselves. The manufacture of wooden-ware, paper, many articles of which iron and steel are the chief ingredients, such as agricultural implements and tools, and many others, all have a fair chance in this country, and are legitimate objects for the investment of capital which is satisfied with a fair return. The erection of a rice mill, on the other hand, with the object of keeping cheap rice from the people, is an example of hot-house industries which have no business to exist by virtue of the taxing power of the state. The price of the best rice in the city of Ottawa is ten cents a pound. The view which it is here endeavored to impress is that where the handicap is obviously too great it is prudent to keep out of the race for the present. The wisest plan is to adopt a sound system and watch the results. We are told on high authority that under the Gustavus tariff, which imposed prohibitory duties on imports with a view of protecting native industries, the manufactures of Sweden languished, 'and it was not until the abolition of this tariff that manufactures began to exhibit any sign of vitality.' With regard to Canada, the testimony of Mulhall in 1896 is as follows:—'The ratio of foreign trade to population is still very small, and would be fully double as much but for vexatious tariffs on the part of Canada.'

THE REVISION OF 1897.

What is to be the tariff of the new Liberal Administration to be laid before parliament and the country in a few weeks? To go over the tariff item by item as Mr. Foster did in the revision of 1894 is only necessary in the maintenance of a protective system, and would be a task of great magnitude, as it proved to be at that time. In the present case the tariff commissioners consist of men who believe in the prin-

inciple that the prime duty of a tariff is to raise a revenue, and that being the main object the work of revision is simple, compared with the other. To classify the imports and deal with them on some general principle is the only thing to be done. A low duty must be placed on the necessities of life. Specific duties must be set aside in order to relieve the tariff from the scandal of making the cheapest goods pay the highest tax. Raw materials must be subjected to a low rate of duty in order that legitimate manufacturing shall not be too heavily handicapped. The question what is raw material can be easily made a very puzzling one, but it is also capable of a simple answer. There is nothing that can be mentioned on the whole list of imported articles as a fit subject for taxation but there will be some one to object. One man will adduce the strongest arguments to show why an article should be on the free list, and another will be just as logical in proving that it ought to be under a fifty percent duty. To separately satisfy the individuals is an impossible task for the tariff commissioners. It is, however, as easy to satisfy the general mass of the community as it is hard to propitiate individuals. There is no such thing as raw material that drops into a factory or workshop, like the rain that waters the earth, without labor in its production. It is said that pig iron is not raw material because it is the finished product of the blast furnace. Then raw cotton is not raw material because it is the finished product of the plantation, which is a huge workshop, employing much labor in gathering the crop, manipulating it and putting it into bales suitable for transportation. Coal, iron, wool, cotton, lumber, tin, crude rubber, leaf tobacco—these are raw materials, and to attempt to extend the list much further would land the government and parliament in inextricable confusion. To recognize everything that enters into manufacture would be to create the most ridiculous claims. The raw material of the muscle upon which labor depends to wrest a day's wages from a selfish world is built up on flour, oatmeal and other such foods, and why should these be taxed? No, there is no safety for the government but the adoption of the plain rule as regards raw materials. Then

comes the question, shall these raw materials be free altogether from duty? Why should they? There is offered here a temptation to discuss the principles of taxation in the abstract, but that temptation has been avoided before, and must be set aside now. It will be much better to avoid theories and discuss actual conditions. It might, indeed, well be asked, upon what principle, in a country whose public revenue depends chiefly on a customs tariff, are manufacturers as a class exempt from contributing to the revenue? The plough of the farmer, the sewing machine of the seamstress, the typewriting machine of the typist—all these are made to contribute to the general revenue. The free list of the present tariff was made on the plan of giving special and extraordinary favors to some of the manufacturers. Why is duck for belting and hose free, and for a workingman's overalls thirty and thirty-five percent? Why is footgrease for manufacturers free, and axle grease for farmers twenty-five percent? But aside from the justice or injustice of these things the

QUESTION OF REVENUE

is the main thing, the first consideration. For the last year of record, ending June 30, 1886, the total imports of Canada amounted to \$118,011,000, of which \$110,587,000 was entered for home consumption. The average of home consumption for the last five years was \$113,500,000. The average of dutiable goods for home consumption in the five years was \$65,522,180 per annum. This at present is the sum from which the bulk of our revenue must be raised. It strikes one at once that the sum is too small, and compared with the total imports of \$110,000,000 is the reason why a very high rate of duty must be exacted, seeing that only sixty percent pays any duty at all. The average

VALUE OF FREE GOODS

imported for the last five years was \$48,000,000 per annum. If corn is eliminated, the corresponding importation in 1877 was about \$21,000,000, and with present values applied, the figure would be about \$13,000,000. Wheat in 1877 was a dollar a bushel. If the population has increased fifteen percent and this is added, it will make the corresponding free list in 1877 (corn excluded) about \$15,-

the raw material duty? It is offered on the principle, but that before, and must be much discussed indeed, well in a country's chief manufacturers as to the farmer, seamstress, typist— etc to the rest of the on the extraor- manufac- turing and man's over- weight? Why free, and five per- centage or

consideration. During June of Canada which \$110,000 consumption \$3,500,000. for home was \$65, present is of our re- fuses one hall, and of \$110, very high- ing that y at all.

was \$48,- elimination in with pre- ce would 1877 was is add- ing free but \$15,-

000,000. What is to be done with the present enormous free list? In view of the rapid increase in annual expenditure and the heavy debt charges which demand one-half the customs revenue, it is now imperative that some revenue should be obtained from say \$40,000,000 of the \$48,000,000. A small duty of ten percent would yield \$4,000,000, though probably there would be a slight falling off in importations. The importation of tea has grown in excess of the growth of population, but the value has fallen so that the money necessary to import thirteen pounds in 1877, will now import twenty-two pounds. The revenue from a duty of four cents a pound in 1877 amounted to about \$533,000, and a duty of three cents a pound would now yield \$675,000. In 1877 the duty was equivalent to about fifteen percent ad valorem. A duty of three cents would probably be equal now to about fifteen percent. In the case of an article like sugar, which is sold very close, a duty of half-a-cent a pound makes a very considerable difference, but in the case of an article like tea, in regard to which there is an enormous margin between the wholesale and retail prices, a duty of three cents a pound could not possibly make any difference in the price the retailer charges the consumer. The heavy margin of profit enjoyed by the dealers would suffer a clip of three cents a pound, but they could easily stand that. The opponents of the government would doubtless make a campaign cry of a tax on tea, and of course the efficacy of that cry would properly be taken into account by the administration. There is this to be said about the free list, that unless a small duty is placed on such articles as cotton, wool, rubber, drugs and dyes, hemp, and one or two others, it will be difficult to give fair play to the many manufacturers who complain loudly of the heavy duties they now pay on what forms the basis of their product, or a large proportion of it. How is it possible to reduce the duties extensively on articles such as food and clothing, the necessities of life, and at the same time reduce the iron and steel and other duties, and leave a free list of nearly \$60,000,000? It would be very nice to place everything on the free list, but the expenditure of the country must be met from customs duties chiefly, and why one set of manufacturers should be exempt from contributing to these on

their raw material, while another set is compelled to contribute on what they claim is their raw material, opens up a rather difficult argument. To levy a low duty on raw materials now free, would enable the materials which enter largely into the products of manufacturers to be placed under a much lower duty than they now pay. The following list of goods now imported free from Great Britain and the United States, includes the bulk of the free list:—

Article.	Great Britain	United States.
Anthracite coal	\$ 10,000	\$ 5,656,000
Diamonds	230,000	9,000
Salt	250,000	11,000
Logs and timber . . . . .	.....	268,000
Woods, various . . . . .	.....	1,243,000
Horses	21,000	139,000
Other animals . . . . .	.....	115,000
Fur skins	154,000	278,000
Grease . . . . .	.....	260,000
Hides	102,000	1,751,000
Wool	305,000	626,000
Fruit . . . . .	.....	530,000
Hemp	413,000	332,000
Indian corn . . . . .	.....	95,000
Flax . . . . .	.....	30,000
Sugar . . . . .	.....	30,000
Tobacco . . . . .	.....	1,425,000
Books	110,000	87,000
Fire brick	33,000	72,000
Coke . . . . .	.....	201,000
Cotton waste . . . . .	.....	319,000
Cotton wool	31,000	2,896,000
Cotton yarn	140,000	33,000
Drugs and dyes	617,000	920,000
Nets, &c.	252,000	257,000
Gutta percha . . . . .	.....	185,000
Jute cloth	308,000	.....
Brass	34,000	125,000
Copper	69,000	141,000
Iron and steel	444,000	666,000
Mining machinery . . . . .	.....	190,000
Steel rails	627,000	330,000
Tin	925,000	182,000
Periodicals	22,000	82,000
Rags and waste	89,000	150,000
Resin . . . . .	.....	112,000
Grude rubber	17,000	\$33,000
For Government	184,000	125,000
Military	463,000	4,000
Coffee	137,000	266,600
Oil paintings	118,000	82,000
Tea	943,000	.....
Totals	\$7,100,000	\$21,150,000

These figures are all in round numbers, and are for the year 1896. Coin and bullion are excluded. There are nine chief articles from Great Britain totalling \$5,000,000, and twelve from the United States totalling \$17,700,000. The two largest items from Great Britain are tin and tea, and from the United States coal and cotton. The official figures of free goods imported from these two countries for 1896, excluding coin and bullion, were: From the United States, \$24,428,000; from Great

Britain, \$8,458,000. Tobacco leaf, although imported free of customs duty, yet contributes to the revenue through the excise.

DUTIABLE IMPORTS.

An official list of the main importations of dutiable goods imported from Great Britain and the United States is as follows:—

Articles.	Great Britain.	United States.
Metals, mineral and manf. of	\$2,676,000	\$6,790,000
Cotton and manf. of	3,357,000	1,067,000
Woollens.	6,930,000	204,000
Silk and manf. of	1,896,000	121,000
Oils	362,600	1,040,000
Lumber	113,000	1,037,000
Fruit	319,000	1,107,000
Carriages	138,000	1,224,000
Flax	1,410,000	64,000
Fancy goods.	909,000	228,000
Hats, &c.	803,000	402,000
Manfs. of rubber	117,000	211,000
Gloves, &c.	267,000	16,000
Glass	214,000	415,000
Furs	283,000	63,000
Wood and manf. of	89,000	764,000
Coal	102,000	3,250,000
Oilcloth	153,000	32,000
Paints and colors	224,000	175,000
Paper and manfs.	254,000	672,000
Musical instruments	19,000	208,000
Jewellery	38,000	231,000
Drugs, dyes, medicines	242,000	497,000
Earth and Chinaware.	387,000	55,000
Electric apparatus	6,000	294,000
Curtains	190,000	60,000
Cordage	25,000	235,000
Watches	6,000	246,000
Umbrellas	154,000	.....
Turpentine . . . . .	.....	162,000
Sugar	95,000	595,000
Spirits and wine	405,000	26,000
Soap	82,000	136,000
Fish and products.	40,000	300,000
Indian corn. . . . .	.....	1,089,000
Breadstuffs. . . . .	.....	983,000
Books and periodicals.	219,000	507,000
All other goods	374,000	810,000
Totals	\$22,898,000	\$25,346,000
Total imports.	\$24,366,000	\$29,101,000

The above lists, therefore, include all the dutiable imports from these two countries for 1896 except \$1,468,000 from Great Britain, and \$3,755,000 from the United States. The duty collected on the British imports was a fraction more than thirty percent, and on the United States imports a fraction less than twenty-seven percent. The argument often heard that American goods pay less because the United States supplies more free goods, is not true, for the rate on the dutiable goods averages more than three percent higher on British than on United States goods. The reason is to be found in the specific duties,

which weigh more heavily on cheap goods, and in cheap goods Great Britain is unrivalled. To talk of 'loyalty' in connection with Canadian tariffs is, in the light of experience, farcical. This struck Cobden with considerable force, judging by a remark he made:—"Loyalty is an ironical term to apply to people who neither pay our taxes, nor obey our laws, nor hold themselves liable to fight our battles, who would repudiate our right to the sovereignty over an acre of their territory, and who claim the right of imposing their own customs duties even to the exclusion of our manufacturers.' Cobden's prophetic vision saw Sir Charles Tupper many years afterwards destroy the Imperial Federation League because he would not agree to the plank in its platform which contemplated the taxation of the colonies for the army and navy of the empire. Sentiment for the Mother Country has never weighed one iota in the framing of protective tariffs for Canada, and free trade within the empire must remain a chimera so long as one of the great political parties in Canada remains a slave to protection.

WHAT SHOULD BE DONE.

One of the greatest drawbacks to the present tariff is its complexity, and one of the greatest boons the government can confer on the commercial community is to give us a simplified tariff. Goods imported can be and should be classified into a few general schedules, with a uniform ad valorem rate of duty on each class, so that the irritation of different valuations at different ports may be a thing of the past. The importer's life has been made miserable, and the customs department, not parliament, has in many cases fixed the duty, under the old system. If the government can declare a policy of, say, at least a two years' permanency to the new tariff it will be another great advantage. To have parliament meet in 1898 with the knowledge that a declared policy precludes any changes in the tariff would enable a whole session to be devoted to much needed legislation of a general character, which by that time the government would no doubt be prepared to bring down. The tariff that comes nearest to a tariff for revenue only will, naturally, have the most stability.

A. J. M.
Ottawa, March 12, 1897.

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Great Britain
'loyalty' in
tariffs is, in
political. This
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A. J. M.